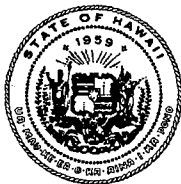


LINDA LINGLE
GOVERNOR



CHAD K. TANIGUCHI
EXECUTIVE DIRECTOR


STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:
09:CPO/172

May 27, 2009

TO: Priority Listed Offerors

FROM: Rick T. Sogawa 
Acting Procurement Officer

SUBJECT: Request-For-Proposals No. OED-2009-15, Addendum No. 5
Revitalize and Redevelop Kuhio Park Terrace and Kuhio Homes on the
Island of Oahu

This Addendum No. 5 is to provide additional information for the Step 2: Technical Submission:

1. Evaluation Criteria – Step 2: Technical Submission

Attachment 1, dated 5/27/09, **replaces** the Evaluation Criteria – Step 2: Technical Submission, dated 5/15/09, issued with Addendum No. 3.

2. Additional Information

The following attachments are available on the HPHA website at www.hpha.hawaii.gov and is provided as additional information for the Step 2: Technical Submission:

- Structural Assessment – Kuhio Park Terrace, May 2009;
- Kuhio Park Terrace/Kuhio Homes Tenant Income – May 2009;
- Physical Needs Assessment – 2008

If you have any questions, please call contact Rick Sogawa at (808) 832-6038. Thank you.

**STEP II EVALUATION CRITERIA
TECHNICAL SUBMISSION REQUIREMENTS**

Responsive proposals shall be prepared on standard 8½" x 11" letter-size paper, single-sided, bound on the long side, and tabbed to separate sections. No proposals will be returned. Proposers must submit **one (1) original and ten (10) bound printed copies due no later than 2:00 p.m. Hawaii Standard Time on July 10, 2009.**

Proposals should be sealed and addressed as follows:

HPHA Step 2 RFP: Technical Submission
Chad K. Taniguchi, Executive Director
Hawaii Public Housing Authority
1002 North School Street, Building D
Honolulu, Hawaii 96817

The above stated deadline is firm as to date and hour. The Hawaii Public Housing Authority (HPHA) will treat as ineligible for consideration any submission that is received after that deadline. Upon receipt of each proposal, the HPHA will date and time stamp it to evidence timely or late receipt, and upon request, provide the interested offerors with an acknowledgement of receipt. Faxed or emailed submissions will not be accepted. All submissions become the property of the HPHA and will not be returned.

Proposals shall be submitted in a sealed envelope/box and properly identified as a sealed proposal in response to this Step 2: Technical Submission. Any proposal not properly identified may be automatically rejected. Proposals submitted via email or facsimile shall be automatically rejected.

The following five (5) criteria will be used by the Evaluation Committee to review the technical submission and determine which proposal shall be selected.

1. The conceptual design proposal of the Developer and the degree it incorporates sound design principles to create a functionally sustainable community. The manner the Developer would implement the Physical Plan. If the Developer takes issue with any elements of the development goals, explain and show why it should be amended. **(20 points)**

Proposer shall provide a narrative outlining their approach for all work as stated in Section V: Development Partner Responsibilities of the RFP, with graphic representations of the conceptual plan (that includes at minimum: the master site plan, typical building elevations, typical building plans), and vision for the concept of the property described in Section IV: Project Expected Outcomes of the RFP. The narrative shall include the number and rationale of development phases proposed to implement the plan, the number of units (total and in each

phase), unit bedroom mix, unit sizes and construction and finish materials proposed.

For purposes of this Step II evaluation, the following terms are defined as follows: (1) "Affordable Housing Units" are defined as on-site and off-site housing units where there are affordable housing use restrictions on the unit, i.e. project-based Housing Choice Voucher (Section 8) units, Low Income Housing Tax Credit units, HOME units, affordable homeownership units, etc. (2) "Public Housing" is defined as rental units subject to the Annual Contributions Contract. (3) "Market Rate" units is defined as rental or ground lease apartment/townhouse ownership units without income restrictions. The HPHA wants to retain the ground lease in perpetuity.

The proposed unit mix should, at minimum, satisfy the objectives of the RFP. While it is up to the Proposer to determine the unit mix that is appropriate for the site, it is essential that the unit mix include a sufficient amount of public housing rental units. To the extent the sub-market shows there is a demand and it is sustainable, Proposers are encouraged to create additional on-site affordable housing units to be made available for persons eligible for public housing (in the 50% to 80% Area Median Income range). The narrative shall explain how the number of units included with the proposal makes the best use of the available land, optimize its use to allow for a unit mix that provides an optimum number of public housing units and concurrently the number of affordable and/or market units to achieve economic feasibility, how the residential nature of the surrounding community is maintained in the new development, what kinds of strategies are included to induce aesthetic, physical, social and economic improvement to the community, and any other information that may be necessary for review.

- A. Proposal will receive up to 20 points if, in addition to sufficiently addressing the required information in #1 above, the proposed site plan, dwelling units and buildings demonstrate that:
 - (1) Proposer has proposed a responsive site plan that is compact, pedestrian and bicycle friendly with interconnected network of streets and public open space;
 - (2) The proposed uses are thoroughly integrated into the community through the use of local architectural and best practices that promote green-building (natural lighting, natural ventilation and use of renewable energy sources), building scale, grouping of buildings, and design elements; and
 - (3) Proposer's plan proposes appropriate Low Impact Development Techniques and landscaping of the natural environment appropriate to the site's soils and microclimate.

- B. Proposal will receive up to 15 points if, in addition to addressing the required information above in #1 above, the proposed site plan, dwelling units and buildings demonstrate design that adequately addresses one or two, but not all three of the elements in #1.A. above.
 - C. Proposal will receive 0 points if the proposed design is perfunctory or otherwise does not address any element in #1.A. above. Proposal will also receive zero points if the proposal does not address the information required for the criteria submission in #1 above.
2. Approaches the Developer would use to finance the revitalization to achieve an economically feasible and sustainable development. **(15 points)**

Proposers shall discuss how they intend to finance the KPT redevelopment, what resources they intend to utilize and secure. Proposers shall provide a pricing proposal, including detailed sources and uses and operating pro-forma to support the development of the conceptual design, including (a) a per phase summary of the Internal Rate of Return, Return on Cost, Return on Equity, Total Profit, Total Developer Equity, Total Development Cost, and Total Developer Fees in one summary form and (b) proposed master plan and predevelopment budgets that delineate the respective costs to be incurred by the Developer and the HPHA. **All spreadsheets should also be submitted on CD in MS-EXCEL format unlocked and contain fully functional, adaptive formulas.**

- A. Proposal will receive up to 15 points if, in addition to sufficiently addressing the required information in #2 above, the proposal addresses the following in the Proposer's financing plan:
 - (1) Fulfills the HPHA's development goals;
 - (2) Is economically feasible in the context of current local market conditions;
 - (3) If Proposer includes market rate housing, commercial, retail or office uses in its concept plan, Proposer must provide a signed letter from an independent, third party, credentialed market research firm or professional that describes its assessment of the demand and associated pricing structure for the proposed uses based on the market and economic conditions of the sub-market area;
 - (4) Does not propose to use public housing funds for non-public housing uses;
 - (5) Includes a completed HUD Total Development Cost/Grant Limitations Worksheet in the proposal and follows the funding restrictions and federal

program requirements; The worksheet can be downloaded from the HUD website at:

<http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/index.cfm>

- (6) Includes a completed F-1 Worksheet in the proposal in addition to developer sources and use. The worksheet can be downloaded from the HUD website at:

<http://www.hud.gov/offices/pih/programs/ph/hope6/mfph/index.cfm>

- B. Proposal will receive up to 10 points if, in addition to sufficiently addressing the required information in #2 above, the proposal addresses some but not all of the elements of #2.A. above.
- C. Proposal will receive 0 points if the proposal does not address any element of #2.A. above. Proposal will also receive zero points if the proposal does not address the information required for the criteria submission in #2 above.
3. How the developer would manage the entire redevelopment process including property management. **(10 points)**
- A. Proposal will receive up to 10 points if the proposal addresses the following in the Proposer's project management plan.
- (1) Describe the Proposer's project plan and procedures to be used in performing the redevelopment and property management services described in the Scope of Work (see Sections IV and V of the RFP). The Proposer shall describe its approach to project organization and management, including the responsibilities of Proposer's management and staff personnel that will perform work in this project. The proposer shall also describe any work to assist HPHA in preparing and submitting to HUD, the mixed finance plan consistent with 24 CFR 941, subpart F; Information regarding 24 CFR 941, subpart F is available at the HUD website at:
- <http://www.hud.gov/offices/pih/programs/ph/hope6/grants/revitalization/index.cfm>
- (2) Provide a realistic project schedule to complete the project, identifying specific key tasks, activities and duration to successfully complete the development goals of the RFP (in MS Project format); and
- (3) Organizational chart delineating roles and responsibilities of each team member and personnel.

- B. Proposal will receive up to 7 points if the proposal addresses some but not all of the elements of #3.A. above.
 - C. Proposal will receive 0 points if the proposal does not address the elements of #3.A. above.
4. The degree of risk the developer is willing to assume and the methodology for determining the amount of compensation expected. **(10 points)**
- A. Proposal will receive up to 10 points if the proposal includes the following:
 - A narrative and spreadsheet in MS-EXCEL format which considers the Proposer's financing strategy and details:
 - (1) Pre-development cost sharing;
 - (2) Proposer's fee structure during Pre-Development and Development periods
 - (3) Guarantees HPHA can expect from the Proposer; and
 - (4) Proposed Deferred Fees.
 - B. Proposal will receive up to 7 points if the proposal addresses some but not all of the elements of #4.A. above.
 - C. Proposal will receive 0 points if the proposal does not address the elements of #4.A. above.
5. Approaches the developer would use to partner with neighborhood groups to assure continuing and meaningful involvement in the development process and a significant long-term role for the residents; and also approaches for training and hiring residents and utilizing M/WBE. **(5 points)**

Proposers shall describe their plan for meeting compliance with Section 3 federal regulations (12 U.S.C. 1701(u) and 24 CFR part 135).

Proposers shall also provide a Community and Supportive Services (CSS) capital plan to assist residents with achieving self-sufficiency goals. Such plan shall include a description of the CSS approach; a program budget including a detailed narrative for each line item, a description of each funding source and if applicable, a fundraising strategy for external funding not yet secured for the CSS plan; a description of the role of each implementing partner and the rationale for

selection; and a description of the management, data collection, reporting and tracking activities that will measure progress on the CSS overall outcomes

- A. Proposal will receive up to 5 points if the proposal demonstrates that Proposer has a feasible plan that addresses sufficiently the required information in #5 above.
- B. Proposal will receive 0 points if the proposal does not address the information required for the criteria submission in #5 above.